

# AUDLEM PARISH COUNCIL

## RISK ASSESSMENT

|  | ITEM              | Risk Identified   | High/<br>Medium/<br>Low | Management of Risk  | Action                  | Internal Audit<br>Frequency | Policy<br>document                               | Notes                          |
|--|-------------------|---|-------------------------|---|-------------------------|-----------------------------|--|--------------------------------|
| <p>The Parish Council is required to review its risk assessment/management arrangements annually. It is important that the Parish Council is able to demonstrate that it has effective risk management processes in place.</p> <p>Risk management is the process by which risks are identified, evaluated and controlled and enables the Parish Council to avoid, or minimise, damaging actions or events. Risk management is a key element of the framework of governance</p> |                   |   |                         |   |                         |                             |  |                                |
| Finance General  |                   |   |                         |   |                         |                             |  |                                |
| 1  | Financial Control | Failure to maintain proper financial control resulting in inability of Parish Council to set a legal budget | L                       | Internal financial management supported by Financial regulations<br>Quarterly review of bank situation and bank reconciliation. Monthly budget monitoring statements<br>Annual spending plan formulated | Parish Council          | Half yearly                 | Financial regulations                            | Existing arrangements adequate |
| 2  | Precept           | Over/under calculation of precept<br>Not paid by Cheshire East Council                                      | L<br>L                  | Annual budget setting process<br>Timely presentation of request. Precept paid directly into PC bank a/c   | Parish Council<br>Clerk | Annually                    | Governance & Accountability                      | Existing arrangements adequate |
| 3  | VAT               | Reclaiming/recharging   | L                       | Routinely claimed annually as part of the year end accounts process. No recharging carried out  | Clerk                   | Annually                    | Financial regulations                            | Existing arrangements adequate |
| 4  | Year end accounts | Submit within time limits   | L                       | Ensure timely presentation of Annual return to the Parish Council for approval<br>And subsequent presentation to internal & external auditors   | Clerk/<br>FSC           | Annually                    | Statutory requirements and Financial regulations | Existing arrangements adequate |
| 5  | Bank/banking      | Inadequate checks<br>Bank errors<br>FSA £85,000 cover   | L                       | Quarterly bank reconciliations carried out and presented to Council.  | Clerk/<br>FSC           | Quarterly                   | Financial regulations                            | Existing arrangements adequate |

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|---|-------------|---|-------------------------|--|------------------|-----------------------------|-----------------------|--------------------------------|
|   |             |   |                         | No bank account should hold more than £85,000 to ensure cover from FSA.  |                  |                             |                       |                                |
|   | Expenditure |   |                         |  |                  |                             |                       |                                |
| 6 | Salaries    | Salaries paid incorrectly<br>Unpaid tax to HMRC | L                       | Calculations done by a payroll service. Staff salaries are to be paid by BACS payment. Any overtime must be approved by the Chair and Vice Chair and reported to full Council. It will be paid by a separate BACS payment, a month in arrears.   | n/a<br><br>Clerk | Half yearly                 |                       | Existing arrangements adequate |
| 7 | Payments    | Unlawful expenditure/improper payment by cheque | L                       | All requests for payment submitted to PC and Clerk advises on power to spend and funds available.<br>Any payment must be approved at full Council or by two Councillors on FSC or working groups with terms of reference. All expenditure will be reported retrospectively at the next Parish Council meeting. The committee shall not incur expenditure above £500 without prior authority from the Parish Council.<br>All payments must have an invoice/other paperwork in support of expenditure. | Clerk            | Half yearly                 | Financial regulations | Current arrangements adequate  |

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|   |                               |   |                         | Each cheque to be signed by two signatories, together with cheque counterfoil.<br>Salaries will be paid by BACS payment. Any overtime must be approved by the Chair and Vice Chair and reported to full Council. It will be paid by a separate BACS payment, a month in arrears.<br>Parish Council authorises bank signatories as and when required and will review these every quarter.   |                |                             |  |       |
| 8 | Expenses: Clerk & Councillors | Overpayment                                       | L                       | Chair checks claims<br>Clerk checks claims   | Chair<br>Clerk | Half yearly                 |  |       |
| 9 | Fraud                         | Misappropriation of funds by Clerk or Councillors | L                       | Any payment must be approved at full Council or by two Councillors on FSC or working groups with terms of reference. All expenditure will be reported retrospectively at the next Parish Council meeting. The committee shall not incur expenditure above £500 without prior authority from the Parish Council. BACS payments must be authorised first. Any cheque must be signed by two Parish Councillors. Blank cheques are not permitted to be signed. | Parish Council | Half yearly                 | Financial regulations and Insurance policy |       |

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|    |                                    |   |                         | All payments must be supported by invoices/claim forms.<br>All Direct Debits are to be approved by the Council. A quarterly review will take place to ensure no unauthorised Direct Debits have been raised.<br>Fidelity guarantee in place. |               |                             |                       |                                     |
| 10 | Reserves - general                 | Adequacy  | L                       | Considered at budget setting. Ensure minimum of 6 months reserves in hand  | Clerk<br>FSC  | Half yearly                 |                       |                                     |
| 11 | Reserves – ring fenced and accrued | Adequacy  | L                       | Funds are shown separately at budget and on year end accounts. Funds drawn on as necessary   | Clerk/<br>FSC | Half yearly                 |                       |                                     |
| 12 | Invoices                           | Overpayment   | L                       | Invoices submitted to PC for authorisation and signature by two Councillors  | Clerk         | Half yearly                 | Financial regulations | Ensure regular meter readings taken |
| 13 | Grants                             | Spending and receipt                                    | L                       | All requests submitted to PC. Clerk checks and FSC advises on ability to spend & suitability of request. Recommendation made to Full Council.  | Clerk/<br>FSC | Half yearly                 | Grant policy          |                                     |
| 14 | Best value accountability          | Contracts awarded incorrectly.<br>Overspend on services | L                       | Practice is to seek 3 quotations for work in excess of £20,000. For those below £1,000 and above £250 the Clerk shall <u>strive</u> to obtain 2 estimates. For those above £1,000 but  | Clerk/<br>FSC | Half yearly                 | Financial regulations |                                     |

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|    |                                |  |                         | less than £20,000 the Clerk shall <u>strive</u> to provide 3 quotations but will obtain a minimum of 2. For those above £20,000 the contract should go to tender.   |               |                             |                         |                                |
|    | Assets                         |  |                         |   |               |                             |                         |                                |
| 15 | Items listed on asset register | Potential damage to equipment and/or injury to members of the public | L                       | Insurance cover for buildings, equipment, public and employer's liability is in place. Asset register maintained and reviewed. Routine inspections undertaken.<br>Public conveniences lock automatically at night. Fences checked at Turnpike Field, Longhill Moss & Churchfields to prevent unauthorised entry | Clerk/<br>FSC | Annually                    | Record of Inspections   | Set up routine for inspections |
| 16 | Health & Safety of Assets      | Injury to public from assets owned by the Parish Council             | L                       | Adequate public liability insurance. Clerk authorised to arrange removal/repair where danger to public identified. Formal inspection/maintenance scheme being implemented in 2018.  | Clerk         | Annually                    | Insurance review by FSC | As above                       |
|    | Non Financial                  |  |                         |   |               |                             |                         |                                |
| 17 | Meeting of Parish Council      | Unlawful meeting   | L                       | Summons, Notice, Agenda properly issued giving public notice three clear working  | Clerk         | Annually                    | Standing Orders         |                                |

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|    |                     | Business conduct  |                         | days before meeting. Ensure quorum is present prior to start of meeting<br>Minutes are produced and signed at the next month's meeting.<br>Business conducted at a meeting should be managed by the Chair | Chair  |                             | Standing orders    |  |
| 18 | Legal powers        | Acting illegally  | L                       | The Clerk advises on the legality of all matters including the power to spend. All activity and payments within the powers of the Parish Council to be resolved at full Council Meetings.                 | Clerk  | Annually                    |                    |  |
| 19 | Members interest    | Conflict of Interest<br><br>Members register                            | L<br><br>L              | Declaration of interest at each Council meeting<br>Register of members interest forms maintained  | Clerk  | Annually                    | Code of Conduct    | Clerk can advise but each Parish Councillor is responsible for their actions in this respect and for updating the register |
| 20 | Insurance cover     | Adequacy<br>Cost<br>Compliance<br>Fidelity Guarantee<br>Libel & Slander | L<br>L<br>L<br>L        | Insurance cover reviewed annually to ensure all risks are managed adequately. Discount obtained through DD payment  | Clerk  | Annually                    | Policy             |  |
| 21 | Business continuity | Parish Council not able to continue its business owing to               | L                       | All files are kept in the Clerk's home or at an approved storage facility. In the event of  | Clerk  | n/a                         |                    |  |

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|    |                              | unexpected or tragic circumstances                         |                         | the Clerk being indisposed for a meeting a Parish Councillor will take notes until the Clerk is available. In the event of prolonged absence, CHALC can be asked to provide the services of an interim Clerk. |        |                                |                    |  |
| 22 | Council records - paper      | Loss through<br>Theft<br>Fire<br>Damage                    | L<br>M<br>L             | The Parish Council records are stored at the home of the Clerk. Records include historical correspondences, minutes, insurance, bank records  | Clerk  | Annually                       | Document retention | Damage (apart from fire) is unlikely. Historic documents to be archived via CEC. |
| 23 | Council records - electronic | Loss through theft, fire, damage or corruption of computer | L/M                     | The Parish Council records are held on the laptop stored at the home of the Clerk. Back up of electronic data is made at regular intervals  | Clerk  | Annually                       | Document retention | Ensure regular back up of files to an external drive.                            |
| 24 | Meeting location             | Adequacy, Health & Safety, Disability access               | L                       | Meetings are held in the Methodist Rooms or Public Hall. Both have disabled access, adequate heating and seating for members of the public  | Clerk  | n/a                            |                    |  |
| 25 | Data Protection              | Compliance   | L                       | The Parish Council is registered with the Information Commissioner (including notification of CCTV)   | Clerk  | Annual renewal of registration |                    |  |
| 26 | Freedom of Information Act   | Compliance   | L                       | Freedom of Information Policy in place.   | Clerk  | Annually                       | policy             | Record to be kept of requests for information (none to date)                     |

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| 27 | Health & Safety of employees | Employers liability insurance<br>Monitoring | L<br><br>L              | EL insurance in place<br><br>Training & protective/safety items provided as necessary | Clerk<br><br>Clerk & Parish Council | Annually                    | H&S Policy statement |       |

This finance risk assessment was reviewed and adopted at the Audlem Parish Council Meeting held on:

Date:

Signed: Geoff Seddon (Chairman)

Signed: Katrina Chalk (Proper Officer)

Original signed copy held on file by the Parish Clerk.